

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 98-038-C - ORDER NO. 98-287

APRIL 22, 1998

IN RE: Application of Intellicall Operator Services, Inc. for a Certificate of Public Convenience and Necessity to Provide Intrastate Local Resale Telecommunications Services within the State of South Carolina.)	ORDER APPROVING
)	EXPEDITED REVIEW
)	AND GRANTING
)	AUTHORITY
)	

This matter comes before the Public Service Commission of South Carolina ("the Commission") on the Application of Intellicall Operator Services, Inc. ("IOS" or "the Company") for authority to provide local telecommunications services in South Carolina and the Motion for Expedited Review of Application filed by IOS. The Application seeks to amend IOS's Certificate of Public Convenience and Necessity issued by the Commission in Docket No. 92-618-C by Order No. 93-250 dated March 20, 1993, to grant IOS the additional authority to provide resold local exchange telecommunications services in South Carolina. The Motion for Expedited Review of Application seeks approval of the Application without the necessity of a formal hearing.

IOS is a Delaware corporation which is authorized by the South Carolina Secretary of State to transact business in South Carolina as a foreign corporation. IOS is certified by this Commission to provide resold intrastate interexchange telecommunications services in the State of South Carolina.

By letter dated February 13, 1998, the Commission's Executive Director instructed IOS to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to provide notice of the Application to any interested parties and to advise interested parties of the manner and time in which to file pleadings to participate in the Docket. The Applicants filed Affidavits of Publication as proof that they had complied with the instructions of the Executive Director. A Petition to Intervene was filed by the South Carolina Telephone Coalition.

MOTION FOR EXPEDITED REVIEW

Thereafter, IOS filed its Motion for Expedited Review of Application. Accompanying the Motion for Expedited Review of Application is an executed Stipulation between the SCTC and IOS. The Stipulation provides that IOS would only seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until IOS provided written notice of its intent prior to the date of the intended service. IOS also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. IOS agreed to abide by all State and Federal laws and to participate to the extent it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to IOS' application provided the conditions contained in the Stipulation are met. The Stipulation is hereby approved and is attached as Order Exhibit 1.

By its motion, IOS states that it waives its right to a formal hearing as there is no disputed issue of fact and asserts that procedural due process requirements are satisfied in the instant Docket as notice and an opportunity for a hearing have been provided. IOS asserts that the opportunity to present written evidence is sufficient to provide procedural due process. IOS requests that the Commission dispose of this matter without requiring a formal hearing and requests that the Commission consider this matter upon the Application and verified testimony submitted by IOS.

Upon consideration of the IOS' Motion, the Commission is of the opinion and so finds that the formal hearing in this matter should be waived and that expedited review of the application should be granted. The Commission finds that notice of the Application was properly afforded to the public. The Commission finds that procedural due process was afforded in this matter and further finds that IOS makes a knowing waiver of a formal hearing. Therefore, the Commission will consider the Application in the context of its regularly scheduled weekly meeting, with court reporter present, and for purposes of the expedited review, the Commission will deem the examination of the Application and verified testimony during the course of the Commission's regularly scheduled meeting with court reporter present as a hearing on this matter.

EXAMINATION OF THE APPLICATION AND VERIFIED TESTIMONY

By the Application, the IOS requests that the Commission amend the Certificate of Public Convenience and Necessity issued by the Commission in Docket No. 92-618-C by Order No. 93-250 dated March 30, 1993 to grant IOS the additional authority to provide resold local exchange telecommunications services in South Carolina. In support

of the Application, IOS filed the verified testimony of B. Reid Presson, a regulatory consultant and former Vice President of Intellicall, the parent company of ILD Communications, Inc. which in turn is the parent company of IOS. The purpose of Presson's testimony was to explain the local exchange services IOS proposes to offer in South Carolina and to review IOS' qualifications to provide such services.

S.C. Code Ann. § 58-9-280 (Supp. 1997) provides that the Commission may grant a certificate to operate as a telephone utility... to applicants proposing to furnish local telephone service in the service territory of an incumbent LEC.

After full consideration of the applicable law, IOS' Application, the Motion for Expedited Review of the Application, and evidence submitted by IOS, the Commission finds and concludes that the amendment to its Certificate sought by IOS should be granted. The Commission's determination is based on the following criteria as provided in S.C. Code Ann. § 58-9-280 (Supp. 1997) and the evidence submitted in support of the motion which relates to that criteria:

1. The Commission finds that IOS possesses the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. § 58-9-280(B)(1) (Supp. 1997). Mr. Presson's testimony indicated that IOS has a management team with considerable experience in management, marketing, network operations, revenue requirements, customer service, and financial and accounting issues. Mr. Presson also offered that IOS has the financial ability to provide the services for which it seeks authority. Regarding IOS' technical resources, Mr. Presson stated that IOS is currently licensed to provide long distance services in every state, except Hawaii, and

that IOS is approved to provide local exchange service in Georgia and Alabama. Based on the undisputed testimony of Presson, the Commission finds that IOS possess the technical, financial, and managerial resources sufficient to provide the services requested.

2. The Commission finds that IOS will provide services which will meet the service standards of the Commission. S.C. Code Ann. § 58-9-280(B) (Supp. 1997). IOS' Application stated that IOS is familiar with applicable Commission policies, rules, and orders and stated that IOS will adhere to all applicable rules, policies and statutes applicable to the offering of its services. Mr. Presson specifically stated in his verified testimony that the services provided by IOS would meet the service standards of the Commission. Based on the record before it, the Commission believes, and so finds, that IOS will provide telecommunications services that will meet the service standards of the Commission.

3. The Commission finds that IOS' "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. § 58-9-280(B)(3) (Supp. 1997). Witness Presson stated that the certification of IOS will ensure that South Carolina consumers have a wider variety of affordable services and prices from which to choose. Mr. Presson offered that IOS' entry into the South Carolina marketplace would increase customer choice, promote efficient use of the network, and expand the tax base and revenue sources of the state. Therefore, based on the undisputed evidence of record, the Commission finds that provision of local exchange services by IOS will not adversely impact affordable local exchange service.

4. The Commission finds that IOS will support universally available telephone service at affordable rates. S.C. Code Ann. § 58-9-280(B)(4) (Supp. 1997). IOS agreed in the Stipulation with the SCTC to participate in the support of universally available telephone service at affordable rates as required by State and Federal laws and as required by the Commission's Rules and Regulations. Additionally, Mr. Presson acknowledged that IOS would comply with all orders and requirements of the Commission regarding universal service. Based on the undisputed evidence of record, the Commission finds that FTI will participate in support of universally available telephone service at affordable rates.

5. The Commission finds that the provision of local exchange service by IOS "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-280(B)(5) (Supp. 1997). Presson offered testimony that the approval of IOS' application will have a positive impact on the public interest. Further, Mr. Presson offered that IOS' entry into the South Carolina marketplace would increase customer choice and promote efficient use of the network. Therefore, the Commission finds that approval of IOS' Application to provide local exchange service "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-280(B)(5) (Supp. 1997).

Therefore, based on the findings above, the Commission finds and concludes that IOS's Certificate of Public Convenience and Necessity should be amended to allow IOS to provide local telecommunications services in South Carolina subject to the Stipulation with the SCTC.

IT IS THEREFORE ORDERED THAT:

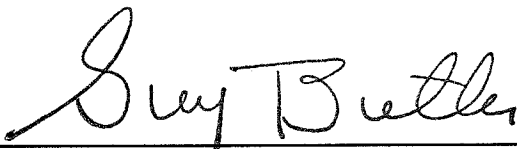
1. The Application of IOS to amend its Certificate of Public Convenience and Necessity to allow IOS to provide competitive intrastate local exchange services in the non-rural local exchange service areas is approved. IOS is hereby authorized to provide competitive local exchange services in these areas in South Carolina. The terms of the Stipulation between IOS and SCTC are approved, and adopted as a portion of this Order. Any proposal to provide such service to rural service areas is subject to the terms of the Stipulation.
2. IOS shall file, prior to offering local exchange service in South Carolina, a final tariff of its service offerings conforming to all matters discussed with the Staff, and comporting with South Carolina law in all matters.
3. IOS shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relation (complaint) matters, engineering operations, and tests and repairs. In addition, IOS shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. IOS shall file with the Commission the names, addresses, and telephone numbers of those representatives within thirty (30) days of receipt of this Order. (Attachment A shall be utilized for the provision of this information to the Commission.) Further, IOS shall promptly notify the Commission in writing if the representatives are replaced.

4. IOS is directed to comply with all Commission regulations unless expressly waived by the Commission.


5. IOS shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

6. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director

(SEAL)

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ATTACHMENT A

**INFORMATION OF THE AUTHORIZED UTILITY
REPRESENTATIVES FOR INTEREXCHANGE, LOCAL
AND AOS COMPANIES**

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and maintain with the Commission
the name, title, address, and telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

This form was completed by Signature

If you have any questions, contact the Consumer Services Department at 803-737-5230